

February 15, 2002

COMMUNITY SERVICE TELEPHONE COMPANY
Proposed Tariff Revision for Increase in Rates,
Docket No. 2001-249

**STIPULATION REGARDING
INTEREST ON EXCESS
AMORTIZATION AMOUNT**

Community Service Telephone Company ("CST"), the Office of the Public Advocate and Intervenor Tenley Kent (collectively "the Parties"), hereby agree and stipulate as follows:

I. PURPOSE

The purpose of this Stipulation is to settle all issues regarding (1) the calculation of the difference between CST's revenues and CST's revenue requirement during the Interim Period of May 30, 2001 to October 31, 2001, and (2) the determination of the amount of "interest" on any revenues in excess of the Amortization Amount cap and the method in which said interest will be used to reduce local rates, pursuant to Part III(8) of the Stipulation dated May 24, 2001, and Part III (A) of the Stipulation dated October 19, 2001. The Stipulation dated October 19, 2001, also provided that CST would provide the above calculation within 90 days after the Commission's approval of the October 19 Stipulation, i.e. within 90 days after November 29, 2001.

II. STIPULATION PROVISIONS

The parties to this Stipulation agree and recommend that the Commission approve this Stipulation as follows:

- A. Calculation of Revenue Difference. The Parties to this Stipulation Agree that the allowable return during the Interim Period is \$403,550 and that Attachment A to this Stipulation contains a reasonable calculation of the

difference between CST's revenues and CST's revenue requirement during the Interim Period.

- B. Calculation of Interest on Excess Amortization Amount. The Parties to this Stipulation agree that the interest to be "earned" by CST on the excess Amortization Amount during the five year Amortization Period is \$4,307 per year, as set forth in Attachment A.
- C. Reduction in Local Rates. The Parties to this Stipulation agree that the annual interest of \$4,307 will be used to reduce CST's local rates during the period the interest is being earned by reducing the monthly rate per access line by \$0.03.
- D. Compliance Rates. Upon the Commission's approval of this Stipulation, CST will file compliance rate schedules which reflect the rate reduction described in the previous paragraph to be effective at the beginning of the next billing cycle for which implementation is feasible.
- E. Staff Presentation of Stipulation. The Parties to the Stipulation hereby waive any rights that they have under 5 M.R.S.A. § 9055 and related Commission Rules to the extent necessary to permit the Advisory Staff to discuss this Stipulation and the resolution of this case with the Commission at public deliberations, without the participation of any party, except in the case where a Party to this proceeding is opposing this Stipulation.
- F. Record. The record on which the Commission may base its determination whether to accept and approve this Stipulation shall consist of this Stipulation, CST's and the Public Advocate's Direct, Rebuttal and Surrebuttal Cases in Docket No. 2001-249, the transcript of the Technical Conference on July 10, 2001, and all documents provided in responses to data requests and information requests of the OPA and Advisory Staff.
- G. Non-Precedential Effect. Except where it may be expressly noted herein, the Stipulation shall not be considered legal precedent, nor shall it preclude a

party from raising any issues in any future proceeding or investigation on similar matters subsequent to this proceeding.

- H. Stipulation as Integral Document. This Stipulation represents the full agreement between all parties to the Stipulation and rejection of any part of this Stipulation constitutes a rejection of the whole.

COMMUNITY SERVICE TELEPHONE
COMPANY

By: _____
Its: _____ Date _____

OFFICE OF THE PUBLIC ADVOCATE

By: _____
Its: _____ Date _____

INTERVENOR – TENLEY KENT

Tenley Kent Date _____